

# Vermillion County Trending

## Overview

Vermillion County is a small rural farming community on the western side of Indiana. Illinois borders on the west and the Wabash River is the eastern border. The industrial is limited, except for three larger plants. The commercial property is concentrated in the City of Clinton.

Each ratio study is contained on a worksheet in the enclosed Excel spreadsheet. The tabs are self-explanatory. The tab marked "Summary" lists the results of the study on a township basis. There are separate tabs for each of the 7 property classes to be reviewed – residential vacant, residential improved, commercial vacant, commercial improved, industrial vacant, industrial improved and agricultural. All spreadsheets contain the thirteen entries required by 50 IAC 14-5-3 as well as the Median, COD and PRD.

In order to have enough sales for meaningful analysis, 2004 sales were included in the ratio study. A 2.00% per year (applied by month) time adjustment was applied to the 2004 residential and commercial improved sales.

## Residential Improved and Vacant Analysis

Due to the limited number of vacant residential sales in Vermillion Township, it was combined with Eugene (a similar township) for the ratio study. Furthermore, there were no valid vacant sales in Highland Township. Highland is comparable to Vermillion and Eugene and was assessed accordingly. A majority of the sales in the 2006 sales disclosure file with consideration (valid and invalid) were used in this analysis. The ratio study shows that all Townships meet the state requirements for the Median, COD and PRD.

All of the townships had enough residential improved sales to be evaluated on an individual basis. Once again a majority of the sales in the 2006 sales disclosure file were used in the analysis. The ratio study shows that all Townships meet the state requirements for the Median, COD and PRD.

## Commercial Improved and Vacant Analysis

Due to the lack of valid sales in any given township and the fact that the county is fairly consistent, the townships were grouped together for the ratio study in this category.

There was only one valid commercial vacant sale that occurred in 2004, 2005 and 2006. Therefore, an analysis of the commercial land was completed and in all cases the land value was equal or greater than a corresponding residential neighborhood.

Due to the limited valid commercial sales, the cost and sales approach to valuation were used. As indicated by the rule "If assessing officials determine that there are insufficient sales of commercial or industrial property in a township or county to determine an annual adjustment factor, the county shall use one (1) or more of the following to derive annual adjustment factors or modify the values of commercial and industrial property . . ." For this analysis, Marshall and Swift costs were used. Using the Comparative Cost Multipliers and the Indianapolis area along

with the 3 building classes most predominate in the county from Marshall & Swift, a cost factor of 1.044 was calculated. This factor was the increase from January 1, 2005 to January 1, 2006. The factor was then applied to all of the building type improvements in the county. An additional year of depreciation was applied to these buildings. The total previous building values were then compared to an updated building value based on the Marshall and Swift factor resulting in the annual adjustment factor 1.01. (The calculations are included in the commercial improved tab)

This factor was then applied to the commercial properties that sold. With the factor applied, the ratio study meets the state requirements for the Median, COD and PRD.

## Industrial Improved and Vacant Analysis

There were no industrial vacant land sales in the county. As with the commercial vacant land, an analysis of the industrial land was completed and in all cases was equal to or greater than a corresponding residential neighborhood. Thus, these parcels are fairly assessed.

There were no useable improved industrial sales occurring in the timeframe. As indicated by the rule "If assessing officials determine that there are insufficient sales of commercial or industrial property in a township or county to determine an annual adjustment factor, the county shall use one (1) or more of the following to derive annual adjustment factors or modify the values of commercial and industrial property . . ." Since there were no sales, Marshall and Swift cost analysis was used. Using the Comparative Cost Multipliers and the Indianapolis area along with the 3 building classes most predominate in the county from Marshall & Swift, a cost factor of 1.044 was calculated. This factor was the increase from January 1, 2005 to January 1, 2006. The factor was then applied to all of the building type improvements in the county. An additional year of depreciation was applied to these buildings. The total previous building values were then compared to an updated building value based on the Marshall and Swift factor resulting in the annual adjustment factor of 1.01. (The calculations are included in the industrial improved tab)

This factor was applied to all of the industrial improvements in the county.

## Agricultural Vacant Ground Analysis

### Assessment to Assessment Study

Twelve agricultural parcels were randomly selected from various Townships within the County. These parcels were sorted by land type and soil productivity ID. The productivity factor of each entry was then multiplied by 1,140 (agriculture ground base rate set by State) and then multiplied by the entry acreage. This amount was then divided by the acreage amount to produce a per acre price.

This assessment to assessment analysis shows that entries with the same land type and soil productivity are priced at the same per acre rate.